

By: Ortiz, Jr.

H.B. No. 4347

A BILL TO BE ENTITLED

AN ACT

relating to adoption of a consumer bill of rights for insurance coverage obtained through the Texas Windstorm Insurance Association.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle B, Title 5, Insurance Code, is amended by adding Chapter 525 to read as follows:

CHAPTER 525. CONSUMER BILL OF RIGHTS FOR
WINDSTORM INSURANCE COVERAGE

Sec. 525.001. DEFINITIONS. In this chapter:

(1) "Association" means the Texas Windstorm Insurance Association established under Chapter 2210.

(2) "Seacoast territory" has the meaning assigned by Section 2210.003.

Sec. 525.002. DEVELOPMENT OF CONSUMER BILL OF RIGHTS. (a) With the assistance of the public insurance counsel, the department shall develop a consumer bill of rights for consumers who reside in the seacoast territory.

(b) The department shall conduct public hearings in the seacoast territory to allow stakeholders the opportunity to provide information regarding items to be included in the bill of rights. The department may also solicit information from stakeholders through:

(1) the department's Internet website; and

1 (2) the toll-free telephone number maintained under
2 Section 521.051.

3 Sec. 525.003. CONTENTS. (a) At a minimum, the consumer bill
4 of rights adopted under this chapter must provide consumer
5 information regarding windstorm and hail insurance for structures
6 located in designated catastrophe areas in the seacoast territory.

7 (b) The bill of rights must describe the general operation
8 of the Texas Windstorm Insurance Association as a pool of all
9 property and casualty insurance companies authorized to write
10 coverage in this state, and the association's function as the
11 provider of last resort when coverage is not available in the
12 voluntary insurance market.

13 (c) The bill of rights must explain, in plain language:

14 (1) the types of insurance coverage available through
15 the association;

16 (2) what the insurance available through the
17 association does not cover;

18 (3) the requirements for obtaining association
19 coverage, including how structures are certified as insurable
20 against windstorm and hail losses; and

21 (4) general inspection requirements, including the
22 effects of new construction, alterations, repairs, roofing and
23 reroofing, and additions.

24 (d) The bill of rights must explain how coverage through the
25 association works in conjunction with the federal flood insurance
26 program and what types of coverages are only available through the
27 flood insurance program.

1 Sec. 525.004. ADOPTION; DISTRIBUTION. (a) The
2 commissioner shall adopt the consumer bill of rights by rule.

3 (b) On adoption of the bill of rights, the department and
4 the association shall cooperate in methods of distribution of the
5 bill of rights.

6 (c) The association shall include a copy of the bill of
7 rights with each application for initial or renewal insurance
8 coverage through the association.

9 SECTION 2. This Act takes effect immediately if it receives
10 a vote of two-thirds of all the members elected to each house, as
11 provided by Section 39, Article III, Texas Constitution. If this
12 Act does not receive the vote necessary for immediate effect, this
13 Act takes effect September 1, 2009.